of the present portfolio of commitments and the steps necessary to ensure best possible utilisation of the comitted assistance. No preconditions were sought to be imposed by the World Bank during the discussions.

Declining rate of Rupee

91. SHRI KAMAL MORARKA:
SHRI GAYA SINGH:
SHRI N. E. BALRAM:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rupee has been declining steadily against the dollar ever since partial convertibility was introduced on March 1, 1992;

(b) if so, what is the depreciation marked in the market rate over the official rate since then; and

(c) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Official rate of the rupee has been adjusted downward by 1.18 per cent on December 4, 1992. Apart from this adjustment the official rate of the rupee has remained stable. The indicative exchange rate of Foreign Exchange Dealers Association of India (FEDAI) announced on a daily basis since March 3, 1992 serves as a parameter of market sentiment as regards the exchange rate of the rupee. In terms monthly average of these indicative rates the rupee has in fact appreciated against the dollar in the month of May, June, August, September and October, 1992. In terms of the FFDAI rate the exchange rate of the rupee vis-a vis the US Dollar on 18-2 1993 was 32.7708 representing a repreciation of 10.9% from the rate of Rs. 29.1971 per US Dollar which was the exchange rate on 3rd March 1992 when the market began to operate under the Liberalised Exchange Rate Management System (LERMS).

(b) In terms of daily rates the spread between the FFDAI and Official Rates (against the US Dollar) during 1-4-92 to 31-1-93 ranged between a minimum of 10.69 per cent and the maximum of 21.55 per cent. On 11-2-93 the indicative rate touched its lowest level against the US Dollar at Rs. 33.5289. The spread between the market and official rates was at its highest at 27.97 per cent. The rupee has been firming up against all major currencies since that date.

(c) The exchange rate of the rupee in the foreign exchange market is a subject of continuous monitoring.

Impact on Indian's balance of payment position

92. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) what is the overall impact on the country's balance of payment position with the rising petro import bill during the financial year 1992-93 and what is the anticipated fiscal deficit as a consequence thereof; and

(b) what is the manner in which Government propose to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The estimated expenditure on petroleum imports during 1992-93 is US $ 6.2 billion. The balance of payment current account deficit during 1992-93 as estimated by the Reserve Bank of India is around US $ 6 to 7 billion. The import of petroleum products does not pass through the Government budget. Hence this does not have a direct impact on Government's fiscal deficit.

(b) The steps taken to improve the balance of payments position and reduce the current account deficit include effective implementation of the new system of liberalised exchange rate management; liberalised made policy regime, in-